



ASX/MEDIA RELEASE

30 July 2014

A\$38.6 MILLION CAPITAL RAISING TO FUND BEAR HEAD LNG PROJECT

Highlights

- **The Company has placed 14,873,186 shares at A\$2.60 cents/share to raise A\$38.6 million**
- **The Share Placement was significantly oversubscribed and was taken up by existing US and Australasian institutional investors**
- **The Placement has been made utilising ASX Listing Rules 7.1 and 7.1A placement capacity**
- **The funds raised will primarily be used for the acquisition and funding of the development of Bear Head LNG**

The Directors of Liquefied Natural Gas Limited (**ASX: LNG; OTC ADR: LNgLY**) (**LNGL** or the **Company**) advise that the Company has raised A\$38.6 million (before costs) via a placement of 14,873,186 ordinary shares at A\$2.60 to US and Australasian institutional investors (**Placement**). The Placement will be made under the Company's placement capacity in accordance with ASX Listing Rules 7.1 and 7.1A.

The Capital Raising will be used to:

- (i) fund the acquisition of 100% of Bear Head LNG Corporation (**BHLC**) from a subsidiary of Anadarko Petroleum Corporation (**Anadarko**) for US\$11.0 million following the ASX announcement on Monday 18th July 2014; and
- (ii) fund the development (including the FEED Study, permit and regulatory approvals and all Project Documentation) of the Bear Head LNG Export Project through to a possible Final Investment Decision in 2016.

The Bear Head LNG Project is located in Richmond County, Nova Scotia, Canada, and the key assets include:

- **A 255-acre site** comprising industrial-zoned land (180 acres) and deep-water acreage (75 acres) as well as foundations in place for two 180,000 cubic meter LNG tanks. The land has been cleared, a majority of site works completed and roads constructed.
- **The Project Rights** of the previously proposed LNG import terminal, including all assets, rights and obligations associated with the Bear Head project.

LNGL plans to transform Bear Head into a 4 mtpa LNG export facility with potential for future expansion. This acquisition is subject to standard closing conditions and consents. The transaction close is expected on or before 31 August 2014.

Foster Stockbroking Pty Ltd acted as Sole Lead Manager of the Placement and was supported by the Company's US advisor, New York based EAS Advisors LLC, acting through Merriman Capital, Inc.

Managing Director and CEO Comments

LNGL's Managing Director Maurice Brand said, "We thank the participants in the Placement for their continuing support of the Company's strategy of developing a pipeline of opportunities by selectively securing sites that meet our criteria and growing the Company's strong presence in North America".

"We are particularly keen to secure opportunities where we can either replicate Magnolia LNG or substantially use all the Company's technical, engineering, technology and development expertise. Bear Head fits those criteria with the development plan based on the use of the Company's OSMR® LNG Process Technology which will deliver lower capital costs, improved energy efficiency and a shorter development and construction schedule".

"Bear Head has considerable unlocked value and sunk costs that can readily be transformed into an LNG export facility. We are looking forward to working with local governments in developing this project that will have significant local economic benefits. We are anticipating the creation of 45 to 70 permanent direct jobs and 600 to 700 construction jobs", said Mr Brand.

Nova Scotia Government and Richmond County Support for LNGL

In a media release on 28 July 2014, **the Government of Nova Scotia** stated that the "Government is congratulating Liquefied Natural Gas Ltd on its proposal to develop a liquefied natural gas export facility at Bear Head near Port Hawkesbury."

"The Australian based company announced an agreement to acquire 100 per cent of Bear Head LNG Corporation from [a subsidiary of] Anadarko Petroleum. LNGL has already developed a gas supply and transportation plan, and secured interest from several parties to enter into tolling agreements to pay tolls to use the facility in Bear Head."

Energy Minister Andrew Younger said "this is a great step toward making Nova Scotia an LNG export destination and represents a tremendous opportunity for rural economic development. He says LNGL chose Nova Scotia for this venture based on the province's proximity to major international markets and the established regulatory regime."

In a media statement on 28 July 2014, **Richmond County** stated that "Richmond County Warden Steve Sampson said the county welcomes the potential development of an LNG export facility at Bear Head, a project which would have a significant positive impact in the area."

"This is an exciting announcement for our county. This project has the potential to create hundreds of good-paying, highly-skilled jobs in our own backyard", Mr. Sampson said.

"His remarks came after Liquefied Natural Gas Limited (LNGL) of Australia announced its intention to finalize the purchase of the Bear Head site from Anadarko Petroleum Corporation."

“It is crucial to the entire Strait area that the Bear Head site be developed. This is a world-class site located on deep, ice-free water. We feel its development could be a catalyst for additional projects in our area.”

Placement Timetable

Event	Date
Placement Settlement via DvP*	Tuesday, 5 August 2014
Quotation of Placement Shares	Wednesday, 6 August 2014

Note – the above timetable is indicative only and subject to change.

** DVP (Delivery v Payment) is the irrevocable exchange of unconditional financial products for unconditional same day funds.*

For further information contact:

Mr Maurice Brand
Managing Director & CEO

Mr David Gardner
Company Secretary

Liquefied Natural Gas Limited

Ground Floor, 5 Ord Street, West Perth WA 6005

Telephone: (08) 9366 3700 **Facsimile:** (08) 9366 3799

Email: LNG@LNGLimited.com.au

Web site: www.LNGLimited.com.au

About Liquefied Natural Gas Limited

Liquefied Natural Gas Limited is an ASX listed company (Code: **LNG** and OTC ADR: **LNGLY**) whose portfolio consists of the following assets:

- Magnolia LNG LLC (**Magnolia LNG**), a US-based subsidiary of LNGL, which is developing an 8 million tonne per annum (mtpa) LNG export terminal, in the Port of Lake Charles, Louisiana, US;
- Bear Head LNG Corporation (the acquisition of which is subject to standard closing conditions and consents) which LNGL intends to transform into a 4 mtpa LNG export facility with potential for future expansion;
- Gladstone LNG Pty Ltd which is working on gas supply agreements for the **Fisherman’s Landing LNG (FLLNG) Project** at the Port of Gladstone in Queensland, Australia; and
- LNG Technology Pty Ltd which owns and develops the Company’s **OSMR[®] LNG liquefaction process**, a mid-scale LNG business model that plans to deliver: lower capital operating costs; faster construction; and improved efficiency, relative to larger traditional LNG projects.

Figure 1: Indicative Bear Head LNG Project Timetable

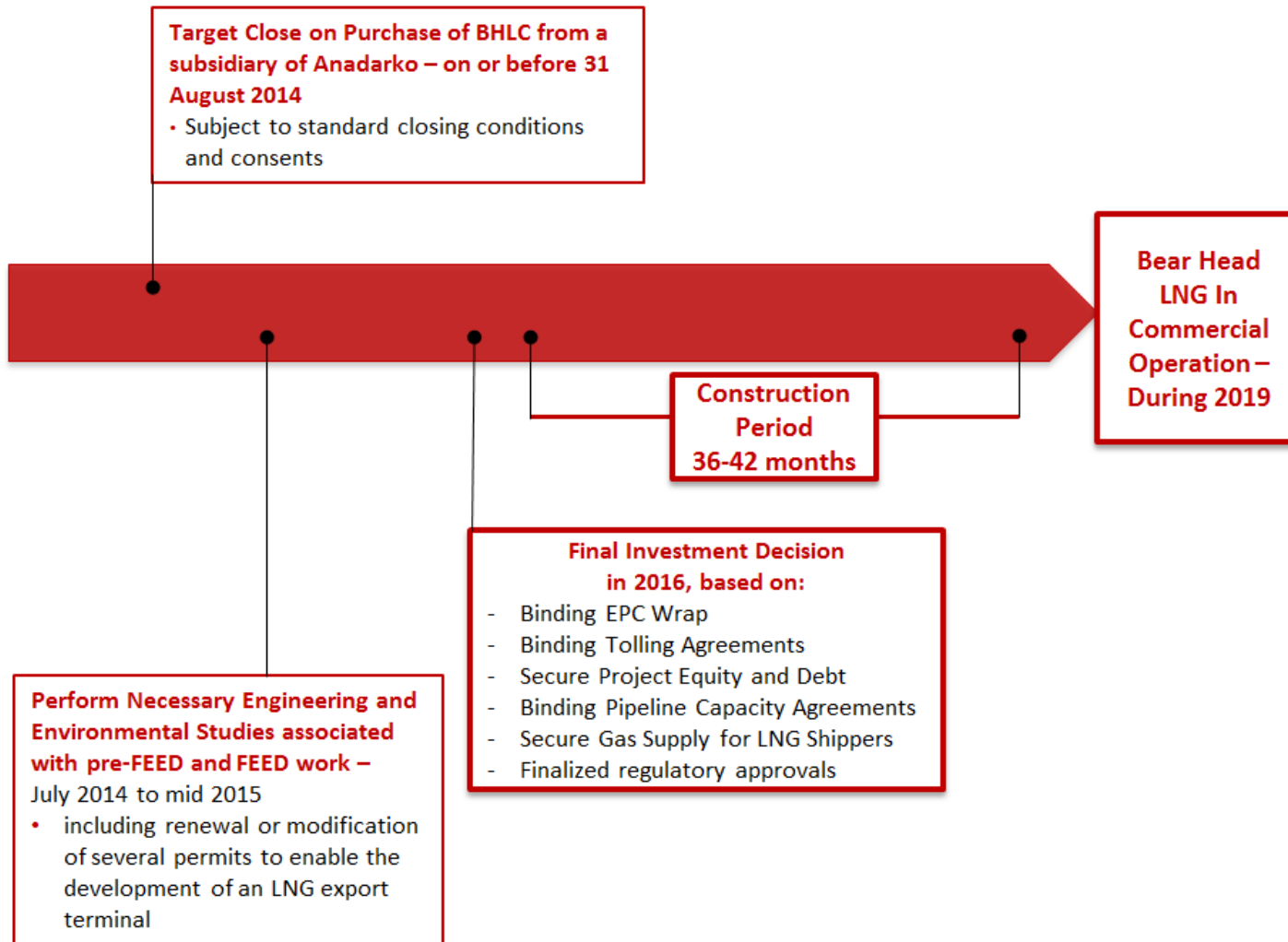


Figure 2: Aerial View of the Bear Head LNG Project Site, Nova Scotia, Canada



Figure 3: Schematic Site Layout for the proposed Bear Head LNG Export Project, Nova Scotia, Canada

